

**MINUTES OF HAMILTON COUNTY COUNCIL, July 9, 2015
GENERALIZED SUMMARY**

**County Council- Special Compensation Study
1:00 p.m.**

Attendees: Councilor Paul Ayers, Councilor Brad Beaver, Councilor Fred Glynn, Councilor Massillamany, Councilor Steve Schwartz; Auditor Dawn Coverdale; Chief Deputy Auditor Robin Mills; Director of Administration Dan Stevens; Human Resources Director, Sheena Dibble; Human Resources Administrator/Professional Development, Sharena Schmidt.

Committee Members: Councilors Fred Glynn, Amy Massillamany, Steve Schwartz

The July 9th Council-appointed Special Compensation Study meeting was called to order by Council President, Paul Ayers, at 1:00 p.m. With five (5) voting members of the County Council present, this meeting was deemed a County Council Meeting.

The meeting was scheduled to review County-wide compensation pay banding of employee salaries with the Special Compensation Committee members of the Council. Councilor Massillamany briefly described pay banding and salary placement of current employees for the newly adopted pay schedule for 2016. She explained Kent Irwin of Waggoner, Irwin, Scheele, and Associates (WIS) first introduced this concept at the Joint Compensation Meeting held with the Commissioners and Councilors on May 26, 2015. Pay banding moves employees through the pay range by identification of the following years of experience: Basic Level (0-3 years of experience), Proficient Level (4-6 years of experience), Senior/Proficient Level (7-10 years of experience), and Mastery Level (11+ years of experience). Councilor Massillamany agrees the pay bands are not longevity entitlement steps, but useful as a guide with salary placement based upon attained job knowledge and experience.

The definitions for the levels within pay banding include the following:

- **Basic Level:** The basic level consists of new hires or transferred employees with three or less years of experience in the position. Employees at this level are developing the knowledge and skills of the position and may experience on the job training.
- **Proficient Level:** The proficient level consist of employees who possess and apply the full range of generally accepted practices, procedures, and techniques required of the position. Specialized skills and knowledge have been developed and the employee is proficient in all aspects of the position.
- **Senior/Professional Level:** The senior/professional level consist of employees who have developed advanced knowledge, skills or techniques to complete and excel at assigned job functions and responsibilities. Employees at this level are often leaders, mentors or trainers for employees at the basic and proficient levels.
- **Mastery Level:** The mastery level consists of employees who have developed a mastery of their field. Employees possess broad knowledge, principles, skills and techniques required of the

position. They demonstrate extensive experience and are considered experts on the subject-matter. Employees at this level have a direct and significant impact on the objectives, programs, practices, and/or policies of the department.

Mrs. Dibble briefly summarized her conversation with Mr. Irwin from the morning of July 9th. Mr. Irwin explained how pay bands differ from pay scales. Pay scales take similar jobs and provide a minimum and maximum to help guide supervisors for recruitment purposes and movement through the scales. Pay banding sets and rank jobs based off of experience, education, and responsibility within an organization. Assigned pay grades should correlate with the salary range for the position with a minimum and a maximum. Pay banding's intent is to serve as a guideline for moving an employee through the pay range. These guidelines are also useful for Elected Officials/Department Heads (EO/DH) to provide flexibility for salary placement for recruitments of new hires based upon job knowledge, proficiency and experience. Banding is not intended for tenure. It is important to note, Mr. Irwin also explained pay banding is more reliable for true salaries based off of banding per pay category because this incorporates promotions in the same category, i.e. an employee begins employment in a COMOT C position and is promoted to a supervisor as a COMOT E. The employee's complete service time in their position category is accounted for as a whole (all-encompassing) in the COMOT category. Therefore, the employee receives credit for their time in the pay grade and rewarded for their promotion in the pay category. Mrs. Dibble added that Mr. Irwin was available from 1:00 p.m. to 2:00 p.m. for a phone conference during this meeting to speak further with the Council providing more direction with pay banding. At that point in time the Council declined to speak with Mr. Irwin.

Councilor Ayers asked Mrs. Dibble to share her findings of pay banding by grade and category. At the Council's request from the Special Compensation meeting held on Wednesday, June 10th, Mrs. Dibble and Mrs. Schmidt placed employees on a spreadsheet with banding based off of years of experience in current pay grade (COMOT A, EXE A, POLE I, etc.) or years of experience in current pay category (COMOT, EXE, POLE).

- Pros of pay banding: Pay banding can assist the County with placement of new hires on the scale bands and be utilized for current employees' movement/guide through the scale bands.
- Cons of pay banding: Validating the accuracy of placing employees in the appropriate banding levels to establish base salaries and validating the accuracy of employee service time in pay grade or pay category. A thorough audit of employee records is vital for the success of pay banding as the payroll system may not accurately account for the history in the position. Example: Positions and/or titles did not change, but grade changed (i.e. Highway Truck Drivers, Community Corrections Living Unit Coordinator and Correction Officer positions). Cost considerations: Pay banding is expensive to implement with a higher increase for some employee salaries.

Councilor Brad Beaver asked Mrs. Dibble what the cost of pay banding per grade would be. Mrs. Dibble stated it would cost approximately \$1,791, 956.69 for County employees, Probation department is \$101,242.92, and Merit Deputies (if last request is approved by the County Council) is \$391,793.81 for a

grand total of approximately \$2,284,993.42. Pay banding per category would cost approximately \$2,046,326.63 for County employees, Probation department is \$101,242.92, and Merit is \$391,793.81, for a grand total of approximately \$2,539,363.36.

Councilor Beaver asked Mrs. Dibble to explain the different pay philosophy scenarios and costs involved in each. Mrs. Dibble stated WIS provided HR with the data in a pay range (minimum, midpoint and maximum) and in a 25-step guideline (following the same formula as created for the Sheriff Merit calculation). HR created a spreadsheet which outlined all employees on the 25-step guideline following Total Years of Service with the County and identified the number of years the employees have worked in both the most current pay grade and grade category. HR Director, Mrs. Dibble advised the Council of the potential inaccuracies in the Tyler/Eden payroll software for the time in pay grade listed on the report. Auditor, Dawn Coverdale stated her staff in the Payroll Department are currently auditing this information. Mrs. Dibble stated the current payroll system was implemented in 2001; however, the pay grade information was not fully entered into the system until late 2004 for the 2005 budget. Based upon this information, it was discussed by the committee that the placement of employees in the banding for the 2016 budget would reach mastery level salary band at year 11. The committee also discussed making a recommendation to the County Council for employees with tenure in excess of 11 years of service with the County or employees with current salaries that exceed the employee's pay band could receive a 3% salary increase (outside their base salary) for 2016 budget. Also in the calculation, employees who did not receive at least a 3% increase when placed in the appropriate step within the band, may receive the difference to equal a 3% salary increase (outside their base salary) with Council approval.

Scenario #1: 25-Step Scale – County employees: Cost if the County adopted the 25-step scale from the hybrid combined City/County data calculating employees' total years of service with Hamilton County:

County Employees:	\$1,755,352.96
Prosecutor:	\$94,105.87
Probation:	\$101,242.92
Merit:	\$391,793.81

Note: The numbers above for the Prosecuting Attorneys and Probation Officers do not reflect a 25-step scale. The Prosecuting Attorneys scale does not have a minimum, the scale begins at the midpoint. The Probation Officers were calculated with a 3% increase or an increase to meet State Judiciary guidelines.

***** Approximate Grand Total \$2,342,495.56**

Pros: Simple methodology of employee progression based on longevity only (total service time with the County).

Cons: Expensive to adopt; does not factor employee time in each position or grade category; may create internal inequities within departments due to employee movement through tenure and changes in positions. If the County considered a 25-Step Scale based on time in a position, we would need to research each employee who changed classification within their employment history. This is challenging

because of the fact that we have many long-tenured employees who have moved classifications and the County's current payroll tracking does not reflect the necessary data. We currently do not have a 25-Step Scale for Probation and the Prosecuting Attorneys. The Prosecuting Attorneys have a 13-step scale (beginning at midpoint rather than minimum) as their salary spread is only 16% rather than 44% as the other scales reflect.

Scenario #2: Adoption of the Combined (hybrid) for County employees (excluding Merit and Probation Officers, see outline below). This calculation includes a 3% increase for County employees. Additional compensation is added to employees below minimum of the newly adopted hybrid scale (greater of minimum or 3% increase). The Probation Officers were calculated with a 3% increase or an increase to meet State Judiciary guidelines. Merit salary calculation utilized grid option #4 from study.

County Employees	\$1,015,956.48
New Hires (since 5-26-15)	\$13,409.29
Probation	\$101,242.92
Prosecutor	\$47,438.82
Merit	\$391,793.81

Approximate Grand Total: \$1,569,841.32

Pros: Moves employees below the minimum to the new scale and provides a 3% increase for other County employees (already above minimum).

Cons: New hires receiving large increases to reach the minimum (may cause a limited spread in salaries).

Example: COMOT F - An employee under the new minimum may receive a \$2,000.00 increase while an employee with 5 years of service receives a 3% increase. This may result in a limited spread in the differential between the two salaries for this newly adopted hybrid range.

Scenario #3: Formula which includes subtracting the minimum of the current pay classification from the minimum of the hybrid and adding this number to employees' current salary:

County Employees	\$1,834,149.40
New Hires (since 5-26-15)	\$13,409.29
Probation	\$101,242.92
Prosecutor	\$57,094.36
Merit	\$391,793.81

Approximate Grand Total \$2,397,689.78

Pros: Provides the exact amount of pay increase to every employee which will maintain the current pay spread.

Cons: Expensive to fund.

Scenario #4: Formula which includes subtracting the minimum of the current pay classification from the minimum of the hybrid and dividing this number in half. We would then add this number to employees' current salary:

County Employees	\$917,074.70
New Hires (since 5-26-15)	\$13,409.29
Probation	\$101,242.92
Prosecutor	\$57,094.36
Merit	\$391,793.81

Approximate Grand Total \$1,480,615.08

Pros: Provides the exact amount of pay increase to every employee which will maintain the current pay spread and is half the expense of funding the entire difference in the minimum of the current pay scales and the new hybrid scales.

Cons: Less expensive to fund; however, employees below the minimum may receive twice as much as other employees in the scenario.

Scenario #5: Pay Banding:

Calculation for time in current Pay Grade:

County Employees:	\$1,791,956.69
Probation:	\$ 101,242.92
Merit:	\$ 391,793.81

Approximate Grand Total: \$2,284,993.42

Calculation for time in current Pay Category:

County Employees:	\$2,046,326.63
Probation:	\$ 101,242.92
Merit:	\$ 391,793.81

Approximate Grand Total: \$2,539,363.36

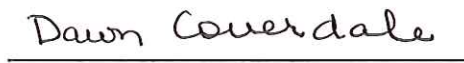
Councilor Schwartz asked what happens if an employee's salary falls above their pay band step. Mrs. Dibble responded stating if approved by the County Council, the employee could receive a 3% increase which will not be included in their base salary. Note: At the Council's discretion, they could establish a pay philosophy including percentage increases and/or longevity/performance pay outside of an employee's base salary. Councilor Massillamany suggested that employee's base salary would not change until the scale was re-evaluated by WIS for the 2018 budget. The 25-step scale was utilized to place current employees on the newly adopted City/County Comparison pay scale to allow an even spread as the Council had been concerned with the adoption of the Combined City/County scale and how this affected more senior employee salaries in the new range.

Director of Administration, Dan Stevens, suggested creating acknowledgment forms to allow the Elected Official/Department Head and their employee to complete prior to proceeding further with pay banding per grade. This would allow the supervisor and employee to document the years in their grade and the appropriate salary within the band. Mrs. Dibble added this would be necessary to assist in any liability issues. She reiterated the importance of receiving feedback from the EO/DH regarding the appropriate level of knowledge, skills and abilities of the employees to place them appropriately in their pay bands. Mrs. Dibble will create an acknowledgment form and request the Elected Officials/Department Heads to review the data provided to them for the pay banding criteria of their employees to determine the accuracy of the banding level is reflective of current job knowledge, skills, and abilities. If they have an employee performing their position at a lower skill level or a higher skill level, they may bring these requests to the Personnel Committee with a recommendation to be forwarded to the County Council.

- Based on the review of the scenarios provided, President Paul Ayers, asked the Councilors present at this meeting for a motion regarding the pay philosophy and pay scenarios provided from Mrs. Dibble. Mrs. Dibble asked if the Merit employees would be included in this motion. Councilor Beaver said that he wished to discuss the Merit employees at a separate meeting and not decide on anything at this time. Councilor Massillamany made the motion to proceed with the utilization of pay banding per grade for all County employees (excluding Merit employees) with the following additions: 1) Move all County employees to the step of the newly adopted City/County comparison scale band, 2) County employees whose salaries are already above their pay banding step, will receive a 3% increase of their current salary (not to be included in their base salary), 3) County employees who did not receive at least a 3% increase when placed in the appropriate step within the band, will receive the difference to equal a 3% salary increase (outside their base salary), 4). Elected Officials and Department Heads shall review the assigned pay banding to determine the accuracy of the banding level reflective of current job knowledge, skills, and abilities. If they have an employee performing their position at a lower skill level or a higher skill level, they may bring these requests to the Personnel Committee with a recommendation to be forwarded to the full County Council. 5) Probation department employees will receive a 3% increase or movement on their scale per the State Judiciary guidelines. Councilor Brad Beaver seconded the motion. The County Council voted unanimously to proceed with the motion set by Councilor Massillamany. Mrs. Dibble was instructed to contact the Elected Officials/Department Heads for the acknowledgments of their employees on the pay banding scale by their years in grade and knowledge, skills and abilities of their positions. This information shall be provided to the County Council at the Special Compensation

The meeting was adjourned at 2:20 p.m.


President


Auditor